

Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of)	
)	MD Docket No. 04-73
Assessment and Collection of)	
Regulatory Fees for Fiscal Year 2004)	

REPLY COMMENTS OF VERIZON WIRELESS

Verizon Wireless submits these reply comments in response to the *Notice of Proposed Rule Making* in the above-captioned proceeding.¹ The NPRM seeks comment on a proposal that would base Commercial Mobile Radio Service (“CMRS”) providers’ Regulatory Fee Assessment for the first time on information provided in their Numbering Resource Utilization Forecast (“NRUF”) report.² Verizon Wireless urges the Commission to clarify that it will assess regulatory fees only on those numbers reported in the “Assigned Number” category in the NRUF report and that “contaminated” numbers should be reported by the carrier using those numbers to provide service to subscribers. In addition, given the growth in the total number of CMRS subscribers the Commission should reduce the proposed regulatory fee to \$0.25.

¹ *Assessment and Collection of Regulatory Fees for Fiscal Year 2004, Notice of Proposed Rule Making*, MD Docket No. 04-73, FCC 04-66 (rel. March 29, 2004) (“NPRM”).

² NRUF was designed by the FCC to serve as a reporting tool for carriers to provide a “snapshot” of their numbering inventories twice a year. As such, while NRUF (with some adjustments discussed herein) may serve as a useful tool to ease the administrative burden of collecting regulatory fees, the use of telephone numbers more broadly with other regulatory mandates, such as Universal Service, is not appropriate.

DISCUSSION

The Commission proposes to collect \$272,958,000 in regulatory fees for Fiscal Year (“FY”) 2004 as mandated by Congress to recover the costs associated with its various functions.³ Consistent with its past determinations on regulatory fee assessments of CMRS carriers, the Commission tentatively concludes in the NPRM that the FY 2004 Regulatory Fees will be based on the number of subscribers or units as of December 31, 2003.⁴ However, the Commission further states its desire to rely on a carriers’ NRUF report as the sole means for determining subscribers or units. Section 52.15 of the Commission’s rules requires that carriers segregate their numbering resources into six distinct categories. Only one of those categories relate to subscriber units. Those categories are:

- (1) “Administrative Numbers” (numbers used by carriers to perform administrative or operational functions) 47 C.F.R. § 52.15(f)(i);
- (2) “Aging Numbers”(numbers that have been disconnected that are not yet eligible for reassignment) 47 C.F.R. § 52.15(f)(ii);
- (3) “Assigned Numbers” (numbers that are working in the Public Switched Telephone Network under an agreement such as a contract or tariff at the request of specific end users or customers for their use) 47 C.F.R. § 52.15(f)(iii);
- (4) “Available Numbers” (numbers that are available for assignment that do not fit into one of the other five categories) 47 C.F.R. § 52.15(f)(iv);
- (5) “Intermediate Numbers” (numbers that are made available for use by another telecommunications carrier or non-carrier entity for the purpose of providing telecommunications service to an end user or customer, generally resellers) 47 C.F.R. § 52.15(f)(v); and
- (6) “Reserved Numbers” (numbers that are held by service providers for use by end users or customers for a period not to exceed 180 days) 47 C.F.R. § 52.15(f)(vi).

³ *Id.*, citing 47 U.S.C. § 159(a).

⁴ See NPRM at ¶ 20.

Clearly, only numbers contained in the Assigned Numbers category are associated with subscribers or units. Numbers falling into the Administrative, Aging, Available, and Reserved categories are not assigned to subscribers and should not be included in the Commission's regulatory fee assessment. Carriers that receive Intermediate Numbers are required to submit NRUF reports pursuant to section 52.15(f)(2) of the rules. Thus, resellers and other carriers receiving Intermediate Numbers should be assessed regulatory fees based on the Assigned Numbers reported in their NRUF reports. Verizon Wireless agrees with the Cellular Telecommunications and Internet Association ("CTIA") that the FCC should clarify that it intends to assess regulatory fees on CMRS carriers based only on the numbering resources reported as Assigned Numbers on a CMRS carrier's NRUF report.⁵

As Cingular Wireless LLC ("Cingular") notes in its comments, a discrepancy in the Assigned Number category can occur as a result of thousands-block number pooling.⁶ Since the implementation of number pooling, most carriers receive their numbering resources in the form of thousands blocks. These blocks can have up to 100 numbers retained by the donating carrier, this numbers are referred to as "contaminated." Under the current guidelines for completing the NRUF reports, carriers have discretion to determine whether or not to report "contaminated" numbers in the Assigned Numbers category. The FCC should clarify that the contaminated numbers should be reported as Assigned Numbers by the reseller or other carrier that is actually using those numbers to provide service to subscribers.

⁵ CTIA Comments at 4.

⁶ Cingular Comments at 4.

Finally, while the FCC has proposed maintaining the CMRS mobile subscriber unit fee at \$0.26 (its level in FY 2003) it will receive an increase in revenue of 6.5 percent (compared to FY 2003) because of subscriber unit growth in the CMRS industry.⁷ The Commission states that its revenue requirements have increased by 1.5 percent since FY 2003, yet fails to credit the CRMS industry for the increase in the total number of subscribers. Verizon Wireless agrees with the comments filed by the Rural Cellular Association (“RCA”) and encourages the FCC to credit the CMRS industry for the increase in subscribers and reduce the proposed regulatory fee by 5 percent to \$0.25 per subscriber unit.⁸ That reduction will still ensure that the Commission will achieve the increased revenue requirement from CMRS.

CONCLUSION

As discussed above, the Commission should clarify that it will assess regulatory fees based only on Assigned Numbers. Requiring carriers to pay regulatory fees on all the categories reported in the NRUF reports would be inconsistent with the Commission’s stated goal of collecting regulatory fees based on subscriber units. Second, the FCC should clarify that contaminated numbers should be reported as Assigned Numbers by the carrier using those numbers to provide service to subscribers.

⁷ NPRM at Attachment C; and ¶ 2, FN 2.

⁸ RCA Comments at 3.

Finally, the FCC should adjust its CMRS unit assessment to accurately reflect the growth in the total number of CMRS subscribers and reduce the proposed CMRS mobile subscriber unit fee to \$0.25.

Respectfully submitted,

By:

A handwritten signature in black ink that reads "John T. Scott, III". The signature is written in a cursive style with a horizontal line underneath the name.

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